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SENATE BILL 229

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY
Phil A. Griego

AN ACT

RELATING TO BUSINESS; INCREASING THE MAXIMUM ANNUAL PREMIUM FOR
PROFESSIONAL LIABILITY INSURANCE FOR REAL ESTATE BROKERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 61-29-4.2 NMSA 1978 (being Laws 2001,
Chapter 216, Section 1, as amended) is amended to read:

"61-29-4.2. ADDITIONAL POWERS OF THE COMMISSION--
PROFESSIONAL LIABILITY INSURANCE--MINIMUM COVERAGE.--

A. In addition to the powers and duties granted to
the commission pursuant to the provisions of Sections 61-29-4
and 61-29-4.1 NMSA 1978, the commission may adopt rules that
require professional liability insurance coverage and may
establish the minimum terms and conditions of coverage,
including limits of coverage and permitted exceptions. If
adopted by the commission, the rules shall require every

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1 applicant for an active license and licensee who applies for
2 renewal of an active license to provide the commission with
3 satisfactory evidence that ~~[he]~~ the applicant or licensee has
4 professional liability insurance coverage that meets the
5 minimum terms and conditions required by commission rule.

6 B. The commission is authorized to solicit sealed,
7 competitive proposals from insurance carriers to provide a
8 group professional liability insurance policy that complies
9 with the terms and conditions established by commission rule.
10 The commission may approve one or more policies that comply
11 with the commission rules; provided that the maximum annual
12 premium shall not exceed ~~[two hundred dollars (\$200)]~~ four
13 hundred dollars (\$400) for a licensee, that the minimum
14 coverage shall not be less than one hundred thousand dollars
15 (\$100,000) for an individual claim and not less than a five
16 hundred thousand dollar (\$500,000) aggregate limit per policy
17 and that the deductible shall not be greater than one thousand
18 dollars (\$1,000).

19 C. Rules adopted by the commission shall permit an
20 active licensee to satisfy any requirement for professional
21 liability insurance coverage by purchasing an individual
22 policy.

23 D. Rules adopted by the commission shall provide
24 that there shall not be a requirement for a licensee to have
25 professional liability insurance coverage during a period when

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1 a group policy, as provided in Subsection B of this section, is
2 not in effect."

3 Section 2. EFFECTIVE DATE.--The effective date of the
4 provisions of this act is July 1, 2008.

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